

MLM Autoship Explained

How Does It Work and Why Do MLM Companies Use It?



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Introduction

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In multi-level marketing, consistency beats intensity, and one of the ways to gain consistent profit is autoship, also known as subscribe-and-save or smartship.


As per a study by Nancy Tobler, a direct sales researcher, nearly 57% of companies have autoship in MLM. The study also suggests 90% of these companies use an autoship program for multiple products.

So, if you are interested in introducing this option for your MLM business, data shows that it's a big "YES."

To know more about how autoship MLM works, the exact benefits you and your distributors will get, and the challenges you'll face, scroll down and read our article.

What Is Autoship in MLM?

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Before getting into the details, let's get the basics clear.

MLM Autoship or “**subscribe and save**” is an ordering program where your customers provide consent to be billed on a set schedule in exchange for the chosen products or combos.

The schedule depends on the customer's selection, whether they want the product/set every month, every forty-five days, quarterly, or other options that are provided by the MLM company.

However, customers must be provided with complete control over the payment, allowing them to end the autoship, skip a payment, or pause the charges.

Some MLM companies also provide the option to make the payment annually and receive the product for the chosen interval. Customers get the benefit of a discounted price, whereas companies get a long-term commitment from the customer end.



Example:


[Plexus Worldwide](#) is one such MLM company that has an autoship program for its combo products. In the autoship program, they offer a monthly subscription option. So, once the customer makes the purchase, they will be charged and receive the combo every month.


How does it benefit the customers?

For the first three autoship payments, the amount remains the same as a one-time purchase. From the fourth month, they get the benefit of a 10% discount on the subscribed amount.

Similarly, it also helps the business get more loyal and committed customers. If the purchase is made through distributors, they also earn recurring income through regular [commission](#).

How Is MLM Autoship Different from a One-Time Payment?

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Autoship in MLM means the customer only needs to add the card details and make the purchase once. After that, the system automatically charges the customer as per the selected payment cycle. In a one-time payment, the customer needs to manually approve the payment every time they want to purchase the product. To know more about the difference between MLM autoship and one-time payment, check out the detailed comparison below

Dimension	MLM Autoship (Subscribe & Save)	One-Time Payment (Buy Now)
Commitment	Ongoing, user-set cadence (30/45/60/90 days); cancel anytime	Single purchase, no future obligation
Control	Pre-bill reminder, edit/skip/pause/cancel in seconds	Full control at checkout, but must remember to reorder
Pricing & Perks	Often discounted + loyalty points/free shipping thresholds	Standard pricing with occasional promos/coupons
PV/QV Stability	Predictable monthly PV/QV and smoother rank maintenance	Volatile PV and end-of-month spikes are common
Convenience	"Set it and stay stocked" with fewer support touches	Manual reorders with risk of stock-outs/forgotten orders

Dimension	MLM Autoship (Subscribe & Save)	One-Time Payment (Buy Now)
Cash-Flow Predictability (Company)	Cohorts forecastable	Depends on campaigns/ seasonality
Compliance Optics	Sensitive if tied to rank and must be optional with caps	Safer optics and clearly purchase-driven
Inventory Planning	Easier to reserve stock for upcoming runs	Demand is bursty and less predictable
Personalization	Swap variants, change cadence, add-ons before bill date	Choose per purchase and no ongoing personalization
Returns/ Adjustments	Needs clear PV/ points reversal rules	Standard return/ refund handling
Best For	Habit products (wellness, skincare, nutrition) and loyal customers	Trials, gifting, seasonal/occasional buyers

How Does MLM Autoship Work?

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MLM autoship has a simple, repeatable flow, which is easy to implement in your system if you have the correct understanding. From enrollment to analytics, this section covers the complete process.

01 Enrollment

Customers can either directly purchase the product from the website or through a distributor. Distributors usually share an affiliate link with customers that will lead to the product page on the website as well.

Customers can check the one-time price and the discounted price with different autoship options (monthly/quarterly/annually). They can select the autoship option that fits their needs and move to checkout.

02 Consent Capture

During the enrollment stage, the MLM company must show:

- The exact billing amount and date
- The next billing amount and date
- Shipping cost
- Estimated tax
- Process to cancel the subscription

Providing clear information allows customers to make the decision mindfully and saves your MLM business from disputes.

For the same reason, it is essential to take the customer's consent before charging the amount. The checkout process must produce auditable records with the checkbox text to which the customer agreed, a timestamp, and the device IP.

It must be followed by an email or SMS confirming the next run date. It must also contain the "Manage Autoship" link, from where customers can easily pause, cancel, or edit the subscription.

03 Pre-Billing Window

Once the network marketing autoship payment is done, you are all set for the first cycle. However, three days before the billing date, you must send a reminder to the customer with prominent options:

- Edit autoship options
- Skip this month/payment cycle
- Pause subscription
- Cancel subscription

If you set this step correctly, you'll save [15% of your customers](#). That's what McKinsey&Company's research "Thinking inside the subscription box: New research on e-commerce consumers" suggests.

Another thing to note. Although you should not store card details for optimal data security in MLM and choose tokenized payment, it is advisable to set a system that informs you when a card is going to expire, which you can share with your customers as a reminder. It will help you rescue your revenue while customers maintain continuity.

04 Product Editing Window

Besides the payment options, you can also provide additional flexibility, allowing customers to change flavors, size, color, or any other product characteristic that keeps the pricing the same and only changes the variation.

No need to speak with customer care, no emails, direct changes from the app itself.

Once the changes are made, show them the preview and get confirmation.

05 Billing Day

As we mentioned in the previous section, charges must run against a tokenized payment method. You must share the invoice for every MLM autoship payment separately.

In cases where the subscribed item is unavailable in the inventory, inform the customer about the delay and obtain separate approval on whether they wish to be charged now and receive the item as it becomes available or later when the item is present in the inventory.

Do not charge the customer if no action is taken, and email them, informing the reason for the interruption of the service.

06 If the Payment Fails

When a card gets declined, you can set a retry ladder to recover orders without nagging. Try charging the MLM autoship payment again in 6 hours, 48 hours, and 5 days.

You can also allow customers to make payments through other methods, such as PayPal or wallets. This will allow you to keep up with the expected revenue.

07 Fulfillment and PV Posting

Similar to any order, when the payment is made, share the shipping details, tracking ID, and PV/QV earned by the customer.

If items are split into partial shipments or go on backorder, the system should prorate PV and show what is posted now versus later to maintain transparency.

Also, if you have any loyalty points attached to the MLM autoship options, the system must immediately reflect them into the system.

08 Analytics and Improvement

Treat MLM autoship KPIs separately from other metrics, leading to changes in how subscription functions are based on insights.

Some of the insights that you can track are:

- When the maximum number of customers drops out of the autoship payment
- Percentage of payment failures
- Support tickets per 1000 autoship payments
- How many customers used the “managed subscription” option to edit the payment cycle?

Take all these metrics into consideration and change your autoship features accordingly.

The Benefits of Autoship for MLM Distributors



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Autoship (automatic monthly shipments) helps multi-level marketing (MLM) distributors create steady momentum without constant follow-ups. When customers can set a schedule, get a reminder, and edit or skip in seconds, repeat orders feel natural, not forced. For distributors, that means more time selling and supporting, fewer end-of-month rushes, and clearer goals.

➤ **Steadier Personal Volume (PV):**

Predictable [personal volume](#) makes rank maintenance and bonus timing easier.

➤ **Higher Lifetime Value and Average Revenue per User:**

A core kit plus complementary add-ons lifts average order value and keeps customers engaged beyond initial purchase.

➤ **More selling time, less admin work:**

Automated reorders cut the need for reminder calls and manual checkouts, so distributors can focus on prospecting and service.

➤ **Better commission forecasting:**

Scheduled orders make income more predictable and help distributors plan promotions and events.

➤ **Simple duplication for new teammates:**

Initiating MLM autoship becomes the primary target, and one single process is replicated across the team.

➤ **Strengthen brand trust:**

Optional, easy-to-cancel autoship with clear rules prevents “pay-to-qualify” concerns and allows customers to stick for a longer period.

➤ **Cleaner operations and fewer support tickets:**

As the brand trust improves and client purchases get automated, the number of satisfied customers increases, causing a decrease in support tickets.

➤ **Early save signals to reduce churn:**

Skips, cadence changes, and failed payments alert distributors to check in if the customer is losing interest before a customer quits.


➤ **Natural, friendly cross-sell moments:**


Monthly touchpoints introduce seasonal flavors, travel sizes, or related products without feeling pushy.

➤ **Happier customers lead to more referrals:**

Pre-bill reminders, real-time price and points previews, and two-click cancel reduce surprises and complaints.

The Benefits of MLM Autoship for Customers

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MLM Autoship is meant to make life easier for customers and not to lock them in. When customers choose a cadence, they have the option to manage the autoship at their fingertips, and reordering becomes simple and time-efficient. There will be no last-minute “I ran out of the product moments.”



Better pricing and benefits

When customers go for MLM autoship, companies usually incentivize it with better pricing or exclusive perks that are only provided in exchange for a long-term commitment towards products.



Supports their goal:


In many industries, such as [health and wellness](#), cosmetics, etc., customers only get visible results when they regularly use it without any break. MLM autoship maintains the continuity and even helps the business achieve a better product success rate.




Saves time in ordering

Even when the customers are committed to the product, they need to reorder it every time. Sometimes, they may miss out on ordering or the product is unavailable, which can lead to a frustrating experience. Autoship in MLM counters these issues and makes the process efficient and the experience better.

The Common Challenges of Autoship in Network Marketing and How to Overcome Them

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MLM Autoship is helpful. No doubt. But it does come with some challenges, and when these challenges are not addressed properly, the feature can have a negative impact. What are those challenges, and how to solve them? Let's find out.

01 Unexpected Charges

Sometimes, MLM autoship is not intended, and customers approve it by mistake. One tick mark and the subscription begins. If they don't even know about it, and they get charged in the next cycle, a negative impact is obvious. [31% of customers cancel their subscription](#) only because they believe they will be charged without prior approval.

The best solution is to share an email or SMS requesting the autoship confirmation. If the customer is genuinely interested, they will confirm it and willingly take the subscription.

02 No Proof of Consent

What if they initially agree to network marketing autoship but then realize that they don't need the product after they get charged for the second time?

A legitimate MLM business must provide a refund under its 30-day money-back guarantee. However, if it leads to any dispute, businesses must keep immutable proof of consent. It includes the copy of the text to which the customer agreed, the timestamp, and the device IP address. It is also essential for [MLM compliance](#).

03 When Autoship Becomes Compulsion

Intentional or not, if you make the MLM autoship option compulsory, that will even reduce the sales that were there without autoship.

Provide customers with the option to either make a one-time payment or allow autoship. Moreover, you must offer multiple cadences. This will allow customers the flexibility to choose when they want to make the next payment.

04 Card Failure and Expiry

Not all transactions will happen as expected. There can be several reasons why card failures can happen: insufficient balance, bank restrictions, expiry, etc.

In some cases, such as when the card's expiry date is approaching, you can send a reminder to the customer for card renewal or changing the payment method.

If the payment failure occurs, you can immediately share the option to make payment via wallets.

05 Out-of-Stock Items

Sometimes, when items get out of stock but autoship is active, the system charges the customer but doesn't provide the shipping details, as there's no product to ship.

In such cases, even though the customer gets charged, they will not receive the product before the expected delivery date.

The MLM autoship system must be integrated with the [inventory management system](#). When inventory runs out of the product, the autoship system should automatically detect it and should not charge the customer till the stock is back. The second option is to prioritize autoship customers and maintain a separate stock for them in advance.

06 No Flexibility

It's common for several industries to offer multiple variants of a product, such as wellness, food items, beauty, etc. When the customer initiates an autoship, it should not be necessary for them to stick with one variant. If that's the case, they may get bored with the product soon and cancel the subscription.

The best option is to provide the option to change the variants under the "Manage Autoship" feature. It will allow them to try out different alternatives and select the best one without putting effort into reordering.

07 Change in Tax and Shipping Rates

When taxes and shipping rates change, you need to change your charges too. If you charge your customers without their prior knowledge regarding the changes, it will come as a surprise to them.

Therefore, if there's any change in the final pricing, take the customer's consent again, and then only continue the autoship.


08 Autoship Abuse


Many of the MLM companies offer autoship benefits, such as discounted prices, from the start. However, what if the customer takes the benefit and cancels the subscription?

To avoid that, it's advisable to start providing benefits after a certain period. For instance, Plexus Worldwide only provides the benefits from the 4th payment cycle onwards. This saves them from offering discounted prices to one-time or short-term customers.

Another option is to give a discounted price if the customer makes the upfront payment for six or twelve payment cycles. This will allow you to get the amount in advance and save your business from exploitation.

Key Takeaways

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We learned about Autoship in the MLM industry and how it works. We also checked how it's different from a one-time payment, what its benefits are for customers and distributors, and finally, the challenges that come along with autoship and their solution.


Overall, MLM autoship is a must-have feature that your business should introduce. It will empower you to have predictable earnings and customers' long-term commitment.


Automate Your MLM Success with Smart Autoship Solutions

Simplify product deliveries, retain distributors, and boost recurring revenue effortlessly with Global MLM Software's advanced autoship features.

Try Free Demo

Frequently Asked Questions

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01 How does autoship work for customers and distributors in MLM?

When customers or distributors visit the product page, they are provided with the option to choose either a one-time payment or autoship. Once they select the cadence, provide consent, and make the payment, their MLM autoship gets started.

02 What administrative processes are automated by MLM software in autoship?

When autoship is enabled, MLM businesses don't need to manually pursue customers to make the payment. Besides that, it frees up the system from requiring you to take consent for the payment every time.

03 What are the purposes of autoship for MLM customers and MLM distributors?

The primary purpose of autoship for MLM customers and MLM distributors is to free them up from the effort of reordering and incentivize their long-term commitment.

04 What are some concerns with mandatory autoship in MLM?

Inability to make a one-time purchase and surprise charges are some of the main concerns with mandatory autoship in MLM.

05 What are the potential downsides of autoship in MLM for participants?

Potential downsides of autoship in MLM that participants might encounter are:

- Disputes when the MLM autoship is initiated by mistake.
 - Card failure leads to a decrease in the expected earnings.
 - Issues if the item goes out of stock and autoship still charges the customer.
 - The customer misuses the initial benefits and cancels the subscription.
-

06 Is autoship mandatory in MLM?

No, autoship is not mandatory in MLM. In fact, it should be optional, allowing the customer to decide whether they want to make a one-time purchase or go forward with a subscription-based model.



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